

**MINUTES OF THE REGULAR MEETING OF THE  
WASHINGTON STATE TRANSPORTATION COMMISSION  
May 23, 2007**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on May 23, 2007, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Ford, Ed Barnes, Bob Distler, Elmira Forner, Carol Moser, Dan O'Neal and Dale Stedman.

**MINUTES APPROVAL**

Approval of meeting minutes of April 17 & 18, 2007 regular meeting and April 30, 2007 verbatim meeting transcript of the Tacoma Narrows Bridge Toll hearing.

*It was moved by Commissioner Stedman and seconded by Commissioner O'Neal to approve meeting minutes of April 17 & 18, 2007 as amended. The motion passed unanimously.*

*It was moved by Commissioner Stedman and seconded by Commissioner Forner to approve the verbatim meeting transcript of April 30, 2007 Tacoma Narrows Bridge Toll hearing as amended. The motion passed unanimously.*

**UPDATE ON DEPARTMENT OF TRANSPORTATION AUDITS**

Chris Cortines, State Auditor's Office, opened the presentation emphasizing that none of the WSDOT performance audits are complete. The Commission will receive draft reports as each of the four audits are completed. The audit's primary focus is WSDOT's Inventory Management, Maintenance and Construction.

1. Is Washington State Department of Transportation's Consumable Inventory and Supply Management function meeting the operational needs of the department efficiently and effectively? If not, what is the effect and what actions and solutions can be implemented to correct these deficiencies? This audit does not cover consumable inventory related to Washington State Ferries.
2. Is the Washington State Department of Transportation's current procurement strategy for hot mix asphalt, used for road construction and maintenance, as well as current state legislation, effective in optimizing hot mix asphalt supply chain costs? If not, what is the magnitude of the possible cost savings for state and local governments and what can be done to achieve them?
3. Are the Washington State Department of Transportation's maintenance-operations as efficient as possible based on best practices identified at other state transportation agencies or the private sector? If not, what is the magnitude of the opportunity lost in terms of cost, and what can be done to correct it? Are DOT revenue opportunities from advertising and vending machines at rest areas maximized based on best practices at other state transportation agencies?

If not, what is the magnitude of the opportunity lost in terms of revenue, and what can be done to correct it? This audit does not cover maintenance operations related to Washington State Ferries.

4. In the areas of highway project delivery and project management, is the Washington State Department of Transportation:

- Effectively managing its highway projects in order to minimize engineering costs, environmental and permitting costs, other costs and unnecessary change orders that result in extra costs? If not, what is the magnitude of the opportunity lost in terms of cost, and what can be done to correct it?
- Effectively managing its highway projects in order to minimize unnecessary delays in project completion? If not, what is the magnitude of the opportunity lost including cost, and what can be done to correct it?
- Accurately, completely and effectively tracking costs by project, including but not limited:
  - Engineering?
  - Contractors?
  - Land acquisitions?
  - Archeological efforts?
  - Environmental compliance and permitting?
  - Any other direct project costs which should be captured and tracked at the project level?

If not, how does the absence of this information affect WSDOT efficiency, effectiveness and decision making and what can be done to better track costs?

The scope of this fourth audit objective (all three bullets) shall address projects that have been completed during the most recent three years or categories of costs incurred during the most recent three years. When reviewing the second bullet of this fourth audit objective, the proposer shall address all aspects of project completion from the initial and internal project approval, to project design, to permitting and right away acquisitions, to the award process and onto the completion of project construction. This audit shall also examine the timeliness of any and all other project elements in between.

Mr. Cortines explained that the accounting treatment of certain activities is not driving the scope of the performance audit or its approach. The approach that was taken was to look at operations as opposed to accounting classifications.

Commissioner Barnes expressed his concern that ferries and ferry terminals are not included in the audit.

Commissioner Distler expressed concern with the focus of the audit activities. He emphasized that he feels that there is a significant distinction of terms of state budget burden of cost sharing between general tax payers and specific designated funds and users. These divisions depend to a great extent on the classification of the costing for those activities.

Mr. Cortines explained that such classifications and activities are important. How those activities are accounted for is important. The Auditor's Office selects scope, in large-part based on opportunity, where the greatest level of improvement can be made. Resources for the audits are limited and this area will not receive significant attention in the performance audits of ferries.

Chair Ford explained that the underlying question is the maintenance level of the ferry system (vessels) is it adequate enough to make certain that, through maintenance, the longest life and most reliable performance is obtained from the vessels.

Mr. Cortines commented that he understands and agrees with comments.

Commissioner Distler expressed that he feels item four is extremely ambitious. He also noted that he is very concerned with the possible consideration of opportunities to eliminate or reduce ferry services.

Mr. Cortines responded that the reduction of services language comes directly from citizen Initiative 900. In closing he noted that resources for these audits is limited and wise choices are made when it comes to making decisions as to what is or is not excluded.

#### **REVIEW DRAFT FERRY SURVEY IMPLEMENTATION PLAN**

Reema Griffith, Executive Director, provided an overview of the draft ferry market survey implementation plan. She explained that there are three key provisions. The first provision states that the Commission with the participation of the Joint Transportation Committee (JTC) workgroup will conduct a survey of ferry customers. The budget also contains a proviso for the JTC workgroup to review other matters relating to WSF and report those findings to the Legislative Transportation Committees. Further provided insight into the survey requires the Commission, with the involvement of WSDOT, to conduct a ferry survey to gather data on ferry users to help inform level of service, operational, pricing, planning, and investment decisions. The Commission shall develop the ferry survey after providing opportunity for ferry advisory committees to offer input. This survey must be updated at least every two years and maintained to support the development and implementation of adaptive management of ferry services. Although there is no specific due date for the survey, there is an expectation that it be completed within the next year. There is also an expectation that this effort be coordinated with the legislature especially the transportation members.

Commissioner Distler noted that there is confusion with level of service terminology. He explained that level of service standard is an expression of the Commission's expectation with regard to the responsiveness of WSF service offering to the needs of the public. It is expressed in terms, with the exception of the San Juans, of the number of boat waits. It is different for walk on passengers then it is for vehicles in the San Juans because of the infrequency of service the level of service standards are expressed as a percentage of sailings that depart in the typical week that are overloaded. The expectation of WSF as to their service plan's ability to move traffic relative to the show up rate of people at the terminals. The level of service is simply the amount of spaces and capacity and the timing of that capacity that's placed on the water. Service level and level of service standard are two very different things. Service level determines whether WSF meets the level of service standards. He expressed concern that even the legislature has these two intermixed in their wording. The Department, through the Secretary, is the sole determinate of level of service standards.

Commissioner Stedman inquired as to who set the level of service standards before the Secretary.

Commissioner Distler responded that the Commission set the level of service standards upon recommendation of the Department.

Ms. Griffith proposed that the Commission create a Commission member advisory team and consider selecting a project manager to focus on the effort. In addition to the Commission team she suggested that there should be a Department subcommittee, to include a staff member from the Governor's Office, to work with the Commission team as the survey moves forward.

Commissioner Distler noted that he would like to see a representative from labor on the Department team.

Chair Ford recommended appointing Commissioner Distler as lead of the ferry survey subcommittee and Commissioner's O'Neal and Forner as committee members.

#### **UPDATE ON THE GOVERNOR'S CLIMATE CHANGE CHALLENGE AND TRANSPORTATION TECHNICAL WORK GROUP**

Paul Park, Senior Policy Analyst, WSTC, explained that the pace of response to climate change has accelerated in the last two months. There were several pieces of legislation this session that implemented Governor Gregoire's Executive Order 07-02 and places in statute the greenhouse gas emissions reduction and clean energy economy goals for the state. There are three different targets:

- By 2020, reduce in the state of Washington to 1990 levels, a reduction of 10 million metric tons below 2004 emissions;
- By 2035, reduce greenhouse gas emissions in the state of Washington to 25 percent below 1990 levels, a reduction of 30 million metric tons below 2004;
- By 2050, the state of Washington will do its part to reach global climate stabilization levels by reducing emissions to 50 percent below 1990 levels or 70 percent below our expected emissions that year, an absolute reduction in emissions of nearly 50 million metric tons below 2004.

The Governor's Climate Advisory Team (CAT) has created five working groups, including the Transportation Working Group, and given them short timeframes to bring a set of policy recommendations forward to the full team. Beginning this May, the Transportation Working Group will be developing recommendations on state mitigation options for the full CAT.

Chairman Ford has been selected to participate in the Transportation Working Group (TWG). The Commission strongly supports this initiative and is participating in conferences and workshops.

Commissioners discussed various modes of transportation and alternative fuels.

## **BEN FRANKLIN TRANSIT'S UTILIZATION OF A NEW FUEL BLEND**

Rick Roger, President, O<sub>2</sub> Diesel, noted that his company is recognized as a market leader in commercial Ethanol/Diesel blends. Ethanol is a renewable replacement for imported petroleum. It has outstanding exhaust emissions benefits, reduces greenhouse gas along with a good partnership supply. Diesel engine emissions are targeted by federal and state governments for major reductions because of ozone forming oxides of nitrogen, toxic air contaminant and carbon monoxide emitted by combustion engines is harmful to human health. O<sub>2</sub> Diesel allows Washington State to address the public's need for cleaner fuel, provides health benefits and operational needs by providing a fuel proven to work effectively.

Dick Ciccone, Ben Franklin Transit Maintenance Manager, explained that over the past couple of years the company has been looking at alternative fuels and emerging applications in transit. During this two-year period the mandatory move to ultra low sulfur diesel, air quality considerations and energy security issues increased. As a result the company started looking for low-cost alternatives to meet the demands. The transition to this type of fuel has been almost transparent. Both bio-diesel and ethanol have weak points because they are not moved by pipelines and there are distribution and logistical issues and a large demand for the fuels. Both fuels meet the improved air quality criteria. Most importantly the state of Washington is a bio-energy rich environment. The use of bio fuel reduces emissions, improves engine lubricity, provides for better flow characteristics, makes for easier starting and compliments a cleaner burning fuel, as well as positive impacts on the environment and human health, our state's economy, agriculture and provides the United States a trade balance. If locally produced bio diesel was used, for every \$1 spent, potentially 90 cents would stay in the local or state economy.

## **2007 LEGISLATIVE WRAP UP AND UPDATE ON JUNE RAIL WORKSHOPS**

Mr. Parker provided highlights of the upcoming Commission and WSDOT Rail Workshops to be held in June 2007 in Tacoma and Spokane. He indicated that the interest level in these workshops has been positive.

Ms. Griffith provided an update on the wrap-up of the 2007 legislative session. There were three bills that passed that directly impact the Commission; SSB 5412 Statutory Benchmarks and Performance Monitoring, ESHB 2358 Ferry Fare Setting and Operational Practices and SB 5264 Naming Transportation Facilities.

Chair Ford requested that Commissioners review the proposed facility naming policy and submit any suggested edits prior to the June meeting.

## **SECRETARY'S REPORT**

Paula Hammond, Chief of Staff, WSDOT, provided an overview of to do's from the legislative session. She explained that in the next few years the transportation system is going to need a big infusion of funds to meet basic system needs and concrete pavement preservation and replacement, essentially Interstate 5. The Department's maintenance program has not received adequate funding to meet the basic level of service. She highlighted various other projects that the Department is involved in. In closing she noted that the Department has delivered 79 projects at only .5 percent over budget.

## **COMMISSION BUSINESS**

***It was moved by Commissioner Stedman and seconded by Commissioner O'Neal to elect Commissioner Ford to serve as Chair and Commissioner Forner to serve as Vice Chair for a second term. The motion passed six "Aye" with Commissioner Distler voting "Nay".***

Mr. Parker presented the *draft* Commission Roles and Responsibilities document for review.

Commissioner Distler recommended that bullet five under policy guidance be amended to state "transportation efficiencies that will improve service delivery and inter-modal coordination."

***It was moved by Commissioner Moser and seconded by Commissioner Forner to approve the amended version of the Commission Roles and Responsibilities. The motion passed unanimously.***

Chair Ford stated that he will continue to sit on the ferry finance study subcommittee and recommended appointment of Commissioner Distler as lead and Commissioner O'Neal as a member. He noted that this may change in the future. He requested that Commissioner Forner lead the tolling study team with Commissioners O'Neal and Ford as members.

Commissioner Stedman indicated that he has created a working group in the Spokane area to assist with putting together the Spokane Regional Forum. The working group includes the RTPO and WSDOT staff to kick off the process. He noted that he will share information as the workgroup moves forward. Commissioner Stedman requested that Commissioner Moser join him in working out the details. Commissioner Moser agreed to participate.

Commissioners discussed scheduling a retreat tentative July 16.

## **PUBLIC COMMENT PERIOD**

No public comment given.

The Commission meeting adjourned at 5:00 p.m., on May 23, 2007.

**WASHINGTON STATE TRANSPORTATION COMMISSION**

\_\_\_\_\_  
DICK FORD, Chair

\_\_\_\_\_  
ELMIRA FORNER, Vice-Chair

\_\_\_\_\_  
EDWARD BARNES, Member

\_\_\_\_\_  
CAROL MOSER, Member

\_\_\_\_\_  
DAN O'NEAL, Member

\_\_\_\_\_  
ROBERT S. DISTLER, Member

\_\_\_\_\_  
DALE STEDMAN, Member

\_\_\_\_\_  
DOUGLAS MACDONALD, Ex-Officio Member  
Secretary of Transportation

\_\_\_\_\_  
JENNIFER ZIEGLER, Governor's Office

ATTEST:

\_\_\_\_\_  
REEMA GRIFFITH, Executive Director

\_\_\_\_\_  
DATE OF APPROVAL